



U.S. Small Business
Administration

NATIONAL EDITION
SUMMER 2020

Small Business

RESOURCE GUIDE



**START
GROW
EXPAND
YOUR BUSINESS**



A photograph of two men in a 3D printing laboratory. The man on the left, wearing a light blue shirt and glasses, holds a small 3D printed object. The man on the right, in a dark blue polo shirt, looks at it. In the background, a large 3D printer has the text 'YOU'LL MAKE IT HERE' on its side. In the foreground, a wooden table holds several other 3D printed objects, including a pink branching structure.

YOU'LL MAKE
IT HERE

Though the business landscape has changed, some things remain the same. In Iowa, a low cost of doing business and an affordable cost of living have long cemented the state as a premier destination for industry and innovation. From medical prototypes to precision ag, our small businesses are home to a collaborative spirit driving new advancements that transform industries. With their growth at the heart of all we do, Iowa is committed to cultivating an environment where small businesses succeed, and their people enjoy a rewarding quality of life. Learn more at IowaEDA.com.

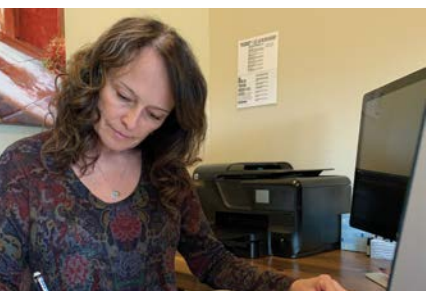
IOWA®

THIS IS IOWA / Iowa City, IA

CONTENTS



National Edition Summer 2020



Local Business Assistance

- 8 Local Success Story**
With the help of business guidance, Pilar Gonzalez's entrepreneurial dream became reality.
- 10 SBA Resource Partners**
- 11 Your Advocates**
- 12 Find your Closest SBA Office**
- 16 How to Start a Business**
- 19 Emerging Leaders**
- 20 Entrepreneurial Resources**
- 21 Choose Your Business Structure**
- 22 Building Your Business Support Network During COVID Recovery**
- 23 8 Tips for Building Your Business Support Network**
- 24 Opportunities for Veterans**
- 26 10 Tips to Help You Build and Grow Your Brand**
- 28 Find an EIN**
- 29 10 Steps to Start Your Business**
- 30 Write Your Business Plan**

Funding Programs

- 32 National Success Story**
Jennifer and Jeff Herbert's meadery has expanded into a multimillion dollar enterprise thanks to SBA assistance.
- 35 Need Financing?**
- 36 Go Global with International Trade**
- 38 R&D Opportunities for High Growth Startups**
- 40 COVID-19 Economic Recovery**
- 42 Surety Bonds**

Contracting

- 44 National Success Story**
Jennifer Rahn steers the course for Admiral Engineering, succeeding as a small business subcontractor.
- 48 SBA Certification Programs**
- 49 Woman-Owned Small Business Certification**

ON THE COVER Roberto Ortiz, courtesy of AVMAC INC.; Pilar Gonzalez, courtesy of Dip It; Exquadrum Inc. President Eric Schmidt, left, and CEO Kevin Mahaffy, courtesy of Exquadrum Inc.; Vera Hall, Innovative Performance Construction Co.; Sridhara Gutt, courtesy of Essnova Solutions

A MESSAGE FROM THE ADMINISTRATOR



It is my honor to serve as Administrator of the U.S. Small Business Administration, leading a team of dedicated professionals—in Washington, and in communities across America—that is laser-focused on helping entrepreneurs recover from the impacts of the COVID-19 pandemic.

The SBA is here to support our nation's small businesses by providing timely economic relief and access to invaluable resources for planning, launching, and expanding small businesses. America's entrepreneurs are innovators and risk-takers. They are the catalyst for employment opportunities within their communities. During these unprecedented times, I am confident the small business sector will once again propel our economy to prosperity, just as it has over the last three years.

As a member of the President's cabinet, I am honored to be the voice for America's 30 million small businesses, advocating on behalf of every entrepreneur. Whether it's seeking assistance with economic disaster recovery, access to capital, government contracting opportunities, or business mentoring, the SBA is ready and determined to help our customers succeed.

The SBA remains committed to continuing our support of America's entrepreneurs and making an even bigger impact in communities across the country. In particular, the SBA is focused on elevating female entrepreneurs and our military veterans, expanding access

to SBA resources among entrepreneurs in underserved markets, and continuing to prioritize disaster relief.

Within this resource guide, you will learn more about the tremendous tools the SBA provides small businesses through our 68 District Offices and numerous Resource Partners, such as our Small Business Development Centers, our SCORE mentoring network, Women's Business Centers, and Veterans Business Outreach Centers. Featured in this guide are some of the remarkable success stories of entrepreneurs who partnered with the SBA to take their businesses to the next level. The SBA encourages you to also utilize these resources to help strengthen and meet your business goals.

Sincerely,

Jovita Carranza
SBA Administrator



“

It was because of the help with the SBDC that we were able to *navigate that maze in the most effective way possible*. When the PPP forgiveness period was extended, this was important to the business. We were able to keep our team intact. We are finally starting to get back on our feet. In addition to helping with the funding options that were available, *the SBDC gave us what we needed most of all, hope.*

—James Otten Dentistry, Kansas



CELEBRATING 40 YEARS

Response. Recovery. Resiliency. Reinvention.

With America's SBDCs you can...keep calm and small business on.

Contact your local SBDC today!
www.AmericasSBDC.org/findyourSBDC



**PENNSYLVANIA
DIRECT PRIMARY CARE
ASSOCIATION®**

Changing the Delivery of
Primary Care in PA
www.padpca.com

**Serving individuals,
families, employer
groups and employees.**

- Affordable, Accessible & Attentive
- No Co-Pays, Deductibles
or Co-Insurance
- Telemedicine
- Discounts for Labs & Radiology
- In-House Generic Medication
Dispensing
- To learn more about DPC or find
an office near you, please visit
our website www.padpca.com
or email us at padpca@pm.me

**NEW SOUTH
MEDIA**

PUBLISHED BY
New South Media, Inc.
304.413.0104 | newsouthmedia.com

PUBLISHER

Nikki Bowman, nikki@newsouthmediainc.com

DESIGNER

Hayley Richard, hayley@newsouthmediainc.com

MANAGING EDITOR

Holly Leleux-Thubron, holly@newsouthmediainc.com

ASSOCIATE EDITORS

Pam Kasey, pam@newsouthmediainc.com

OPERATIONS MANAGER

Meggan Hoyman, info@newsouthmediainc.com

ADVERTISING SALES DIRECTOR

Heather Mills McIntyre, heather@newsouthmediainc.com

ADVERTISING SALES

Kelley McGinnis, Bryson Taylor
sba@newsouthmediainc.com

Copyright: New South Media, Inc. Reproduction in part or whole is strictly prohibited without the express written permission of the publisher.

© 2020 NEW SOUTH MEDIA, INC., ALL RIGHTS RESERVED

The U.S. Small Business Administration's Office of Marketing & Customer Service directs the publication of the Small Business Resource Guide under SBA Contract #SBAHQ-17-C-0018. SBA publication summer 2020 national edition #mcs-0135

WRITER/EDITOR

Becky Bosshart
(202) 205-6677
rebecca.bosshart@sba.gov

DIRECTOR OF MARKETING

Paula Panissidi Tavares
paula.tavares@sba.gov

The SBA's participation in this publication is not an endorsement of the views, opinions, products or services of the contractor or any advertiser or other participant appearing here. All SBA programs and services are extended to the public on a non-discriminatory basis.

Directory listings do not constitute or imply an endorsement by the SBA of any opinions, products, or services of any private individual or entity.

Printed in the United States of America.

While every reasonable effort has been made to ensure that the information contained here is accurate as of the date of publication, the information is subject to change without notice. The contractor that publishes this guide, the federal government, or agents thereof shall not be held liable for any damages arising from the use of or reliance on the information contained in this publication.



Small
businesses
power our
economy.

The SBA
powers
small
businesses.

During these uncertain times, we're still here for you. Whether you're in need of financial assistance or reworking your business plan, SBA has your back...because small business is our business.

Contact sba.gov to learn how to move your business forward with confidence.



U.S. Small Business
Administration

LOCAL BUSINESS ASSISTANCE

How I Did It

Recipe for Success

SBA resources provided Pilar Gonzalez with the key ingredients for small business success in Mission, TX.

WRITTEN BY BECKY BOSSHART





COURTESY OF DIP IT

With the help of business guidance, Pilar Gonzalez's entrepreneurial dream became reality. Dip It can now be found in grocery stores in Texas and Mexico.

An Emmy Award nominee from her radio/TV career, Pilar started Dip It 10 years ago out of her home kitchen. Pilar took a family recipe and crafted it into a line of natural yogurt dips including cilantro, chipotle, jalapeño, piquin, and green olive. Despite her early struggles with production, design, and marketing, Dip It volume continued to grow. With the business guidance of an SBA Resource Partner, Pilar was able to take her concept to the next level, qualifying for financing and becoming a job creator in Texas.

Challenge

Pilar needed the help of a business adviser in drafting her business plan, eventually taking her to the place where she could qualify for business financing. It can be difficult for small businesses, especially those in the food industry, to secure capital to expand. She wasn't able to find the financing she needed

with the right terms, even though her revenue was steady and she was creditworthy. Pilar was ready to expand but couldn't find a lender to back her venture.

Solution

Pilar worked closely with advisers at her local Small Business Development Center, seeking counseling as her business grew. She attended several trainings that helped with running the financial side of the business. Pilar's product ranked high in many local and regional food competitions, which increased her marketability and investor appeal. Providing funding to boost production and sales, Pilar confidence grew as she continued to gather accolades. She won the second-place grand prize in HEB's Primo Picks Quest for Texas Best, which placed her product in over 100 stores.

The SBA also guarantees loans made by lending institutions to small businesses that cannot find conventional financing elsewhere. Pilar was also able to enter the international marketplace using a State Trade Expansion Program grant and training. SBA international trade programs cover

5 Tips for Success

Find a great business

mentor. To find your local SBA office and resource partners in your area, visit sba.gov/localassistance.

Surround yourself with

people who are smarter than you; they will complement your weaknesses and bring out your strengths. You will share your passion and drive with them.

Join up with other

entrepreneurs for virtual networking, see pages 21–22 for ideas.

As a small business owner,

We don't cut corners. Sometimes you have to lose money to do quality work—it's rough, but nothing is more important.

Are you a woman-owned small business?

The SBA offers free WOSB certification at beta.certify.sba.gov.

short or long-term costs necessary to sell goods or services abroad. Pilar used her loan proceeds as working capital to finance foreign sales, helping her better compete globally.

Benefit

Dip It sales have increased over 200% since 2016; her product can be found in over 250 HEB stores with 300 total distribution locations. She employs eight in her Mission, Texas facility. Pilar recently added cream cheese dips into her line, expanding to include zesty avocado, bacon and spinach, and water chestnuts. Recently her product was awarded a HEB belt buckle for reaching the \$1 million sale mark. ■

SBA Resource Partners

No matter your industry, location or experience, if you have a dream, the SBA is here to help you achieve it. Our SBA Resource Partners offer mentoring, counseling, and training to help you start up and thrive at all stages of the business life cycle. These independent organizations operating across the United States and U.S. territories are funded through SBA cooperative agreements or grants.

SMALL BUSINESS DEVELOPMENT CENTERS

950+

Achieve your dream of business ownership and remain competitive in an ever-changing global economy with assistance from your local SBDC. Access free counseling and free or low-cost training on topics like regulatory compliance, technology development, and international trade. Find an SBDC adviser at sba.gov/sbdc.

SCORE

300+

Join the ranks of other business owners who have experienced higher revenues and increased growth thanks to SCORE, the nation's largest network of volunteer business mentors. Experienced executives share real-world knowledge to fit your busy schedule. SCORE mentors are available for free as often as you need, in person, via email or over video chat. Find a mentor at sba.gov/score.

WOMEN'S BUSINESS CENTERS

100+

Women entrepreneurs receive business counseling and training from this national network of community-based centers. Each center tailors its services to help you navigate the challenges women often face when starting or growing a business. To learn about SBA resources for women visit sba.gov/women.

VETERANS BUSINESS OUTREACH CENTERS

20+

Military community entrepreneurs receive business training, counseling, and referrals to other SBA Resource Partners at a Veterans Business Outreach Center, sba.gov/vboc. Receive procurement guidance to better compete for government contracts. VBOCs also serve active duty service members, National Guard or Reserve members, veterans of any era, and military spouses.



Your Advocates

The SBA offices of advocacy and ombudsman are independent voices for small business within the federal government.

Advocacy

When you need a voice within the federal government for your interests as a small business owner, SBA advocates can assist. They analyze effects of proposed regulations and consider alternatives that minimize the economic burden on small businesses, governmental jurisdictions, and nonprofits.

SBA advocates, **advocacy.sba.gov**, help with these small business issues:

- » if your business could be negatively affected by regulations proposed by the government
- » when you need economic and small business statistics

The office of advocacy also independently represents small business and advances its concerns before Congress, the White House, and federal agencies.

Ombudsman

Entrepreneurs who have an issue with an existing federal regulation or policy receive assistance from the SBA national ombudsman.

The ombudsman's office helps you:

- » resolve regulatory disputes with federal agencies
 - » reduce unfair penalties and fines
 - » seek remedies when rules are inconsistently applied
 - » recover payment for services done by government contractors
- Make your voice heard by participating in a Regional Regulatory Enforcement Fairness Roundtable or a public hearing hosted by the SBA national ombudsman. These events are posted periodically at **sba.gov/ombudsman**.

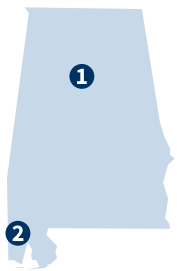
To report how a proposed federal regulation could unfairly affect you, contact **advocacy.sba.gov**.

To submit a comment about how your business has been hurt by an existing regulation, visit **sba.gov/ombudsman/comments**.

To submit a comment or complaint through the online form, visit **sba.gov/ombudsman/comments**. Your concerns will be directed to the appropriate federal agency for review. The SBA will collaborate with you and the agency to help resolve the issue.

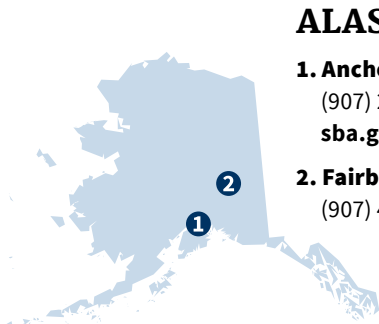
Find your Closest SBA Office for Small Business Assistance

For information on SBA offices and resource partners in your area, visit sba.gov/localassistance.



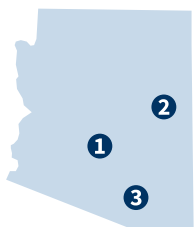
ALABAMA

1. Birmingham
(205) 290-7101
sba.gov/al
2. Mobile
(251) 490-8638



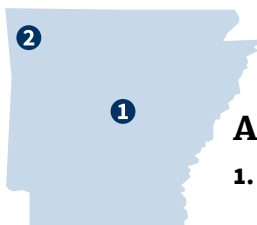
ALASKA

1. Anchorage
(907) 271-4022
sba.gov/ak
2. Fairbanks
(907) 474-4878



ARIZONA

1. Phoenix
(602) 745-7200
sba.gov/az
2. Show Low
(928) 532-0034
3. Tucson
(520) 620-7042



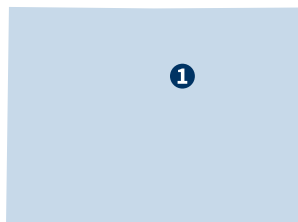
ARKANSAS

1. Little Rock
(501) 324-7379
sba.gov/ar
2. Fayetteville
(501) 551-2694



CALIFORNIA

1. Fresno
(559) 487-5791
sba.gov/ca/fresno
2. Los Angeles
(213) 634-3855
sba.gov/ca/la
3. Palm Desert
(760) 408-0049
4. Sacramento-Citrus Heights
(916) 735-1700
sba.gov/ca/sacramento
5. San Diego
(619) 557-7250
sba.gov/ca/sandiego
6. San Francisco
(415) 744-6820
sba.gov/ca/sf
7. Orange County/Inland Empire
(714) 550-7420
sba.gov/ca/santa



COLORADO

1. Denver
(303) 844-2607
sba.gov/co



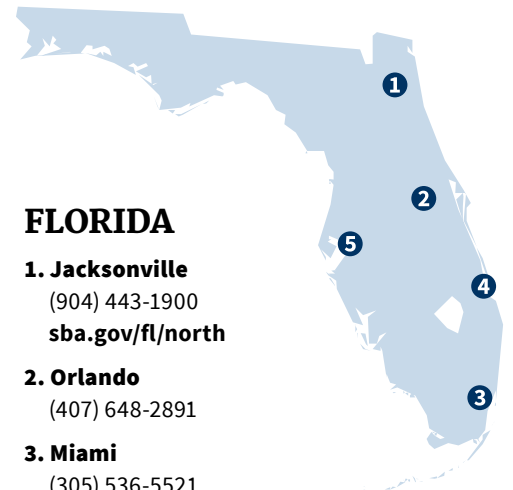
CONNECTICUT

1. Hartford
(860) 240-4700
sba.gov/ct
2. Bridgeport
(203) 335-0427



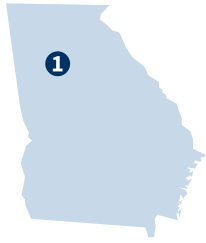
DELAWARE

1. Wilmington
(302) 573-6294
sba.gov/de



FLORIDA

1. Jacksonville
(904) 443-1900
sba.gov/fl/north
2. Orlando
(407) 648-2891
3. Miami
(305) 536-5521
sba.gov/southflorida
4. Fort Pierce
(772) 466-3176
5. Tampa
(813) 228-2100 x24



GEORGIA

- 1. Atlanta**
(404) 331-0100
sba.gov/ga

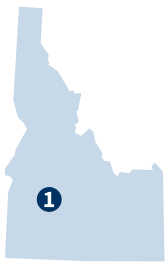


GUAM

- 1. Hagatna**
(671) 472-7277
sba.gov/hi

HAWAII

- 1. Honolulu**
(808) 541-2990
sba.gov/hi



IDAHO

Also serving Baker, Grant, Harney, Malheur, Union, and Wallowa counties, OR

- 1. Boise**
(208) 334-9004
sba.gov/id



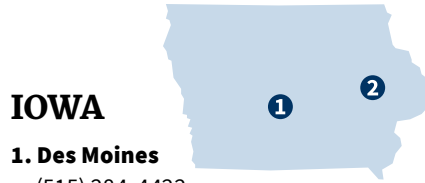
ILLINOIS

- 1. Chicago**
(312) 353-4528
sba.gov/il
- 2. Springfield**
(217) 747-8249



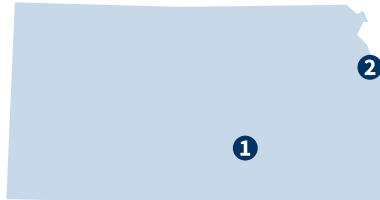
INDIANA

- 1. Indianapolis**
(317) 226-7272
sba.gov/in



IOWA

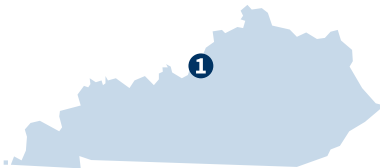
- 1. Des Moines**
(515) 284-4422
sba.gov/ia
- 2. Cedar Rapids**
(319) 362-6405



KANSAS

- 1. Wichita**
(316) 269-6616
sba.gov/ks

- 2. Kansas City**
*Serving eastern Kansas & western Missouri**
(816) 426-4900
sba.gov/mo



KENTUCKY

- 1. Louisville**
(502) 582-5971
sba.gov/ky



LOUISIANA

- 1. New Orleans**
(504) 589-6685
sba.gov/la



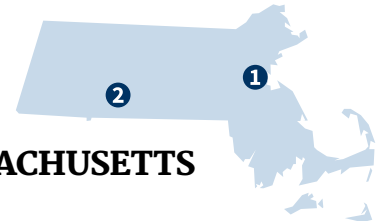
MAINE

- 1. Augusta**
(207) 622-8551
sba.gov/me
- 2. Bangor**
(207) 450-2290
- 3. Portland**
(207) 248-9040



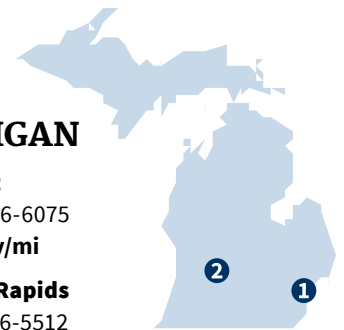
MARYLAND

- 1. Baltimore**
(410) 962-6195
sba.gov/md



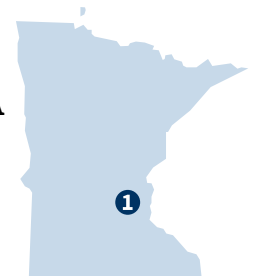
MASSACHUSETTS

- 1. Boston**
(617) 565-5590
sba.gov/ma
- 2. Springfield**
(413) 785-0484



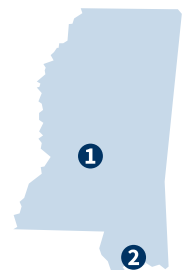
MICHIGAN

- 1. Detroit**
(313) 226-6075
sba.gov/mi
- 2. Grand Rapids**
(616) 456-5512



MINNESOTA

- 1. Minneapolis**
(612) 370-2324
sba.gov/mn



MISSISSIPPI

- 1. Jackson**
(601) 965-4378
sba.gov/ms
- 2. Gulfport**
(228) 863-4449

MISSOURI

1. St. Louis

Serving eastern Missouri
(314) 539-6600
sba.gov/mo/stlouis



2. Columbia

(573) 382-1792

3. Kansas City

*Serving counties in eastern Kansas & western Missouri**
(816) 426-4900
sba.gov/mo

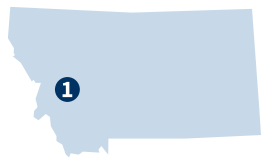
4. Springfield

(417) 890-8501

MONTANA

1. Helena

(406) 441-1081
sba.gov/mt



NEBRASKA

1. Omaha

(402) 221-4691
sba.gov/ne



NEVADA

1. Las Vegas

(702) 388-6611
sba.gov/nv

2. Carson City

(775) 230-4274



NEW HAMPSHIRE

1. Concord

(603) 225-1400
sba.gov/nh



NEW JERSEY

1. Newark

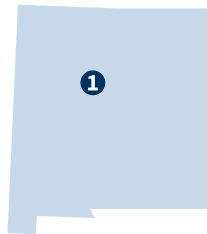
(973) 645-2434
sba.gov/nj



NEW MEXICO

1. Albuquerque

(505) 248-8225
sba.gov/nm



NEW YORK

1. Buffalo

(716) 551-4301
sba.gov/ny/buffalo

2. Rochester

(585) 263-6700

3. Syracuse

(315) 471-9393
sba.gov/ny/syracuse

4. Albany

(518) 446-1118 x231

5. Elmira

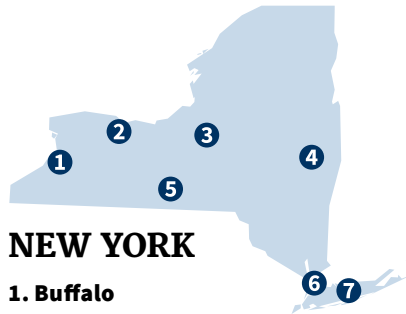
(607) 734-8130

6. New York City

(212) 264-4354
sba.gov/ny

7. Long Island-Hauppauge

(631) 454-0750



NORTH CAROLINA

1. Asheville

(202) 805-8947

2. Charlotte

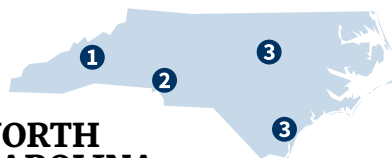
(704) 344-6563
sba.gov/nc

3. Wilmington

(910) 398-0746

4. Raleigh

(919) 923-6688



NORTH DAKOTA

1. Fargo

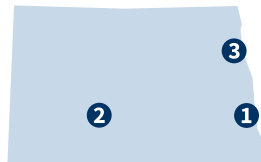
(701) 239-5131
sba.gov/nd

2. Bismarck

(701) 328-5850

3. Grand Forks

(701) 746-5160



OHIO

1. Columbus

(614) 427-0407
sba.gov/oh/columbus

2. Cincinnati

((513) 384-9411
or (305) 582-1311

3. Dayton

(614) 633-6372

4. Cleveland

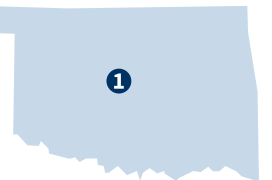
(216) 522-4180
sba.gov/oh/cleveland



OKLAHOMA

1. Oklahoma City

(405) 609-8000
sba.gov/ok

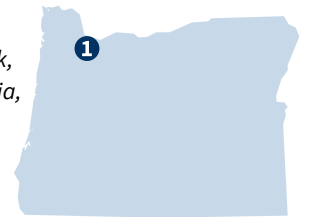


OREGON

Also serving Clark, Cowlitz, Skamania, Wahkiakum counties, WA

1. Portland

(503) 326-2682
sba.gov/or



PENNSYLVANIA

1. King of Prussia

(610) 382-3062
sba.gov/pa

2. Harrisburg

(717) 782-3840

3. Pittsburgh

(412) 395-6560
sba.gov/pa/pittsburgh



PUERTO RICO

1. San Juan

(787) 766-5572
sba.gov/pr



RHODE ISLAND

- 1. Providence**
(401) 528-4561
sba.gov/ri



SOUTH CAROLINA

- 1. Columbia**
(803) 765-5377
sba.gov/sc
- 2. North Charleston**
(843) 225-7430



SOUTH DAKOTA

- 1. Sioux Falls**
(605) 330-4243
sba.gov/sd
- 2. Rapid City**
(605) 341-5962



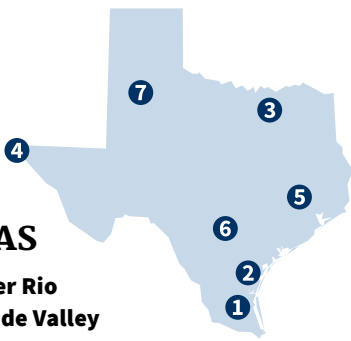
TENNESSEE

- 1. Nashville**
(615) 736-5881
sba.gov/tn
- 2. Memphis**
(901) 494-6906



TEXAS

- 1. Lower Rio Grande Valley**
(956) 427-8533
sba.gov/tx/harlingen
- 2. Corpus Christi**
(361) 879-0017
- 3. Dallas/Fort Worth**
(817) 684-5500
sba.gov/tx/dallas
- 4. El Paso**
(915) 834-4600
sba.gov/tx/elpaso
- 5. Houston**
(713) 773-6500
sba.gov/tx/houston
- 6. San Antonio**
(210) 403-5900
sba.gov/tx/sanantonio
- 7. Lubbock**
(806) 472-7462
sba.gov/tx/lubbock



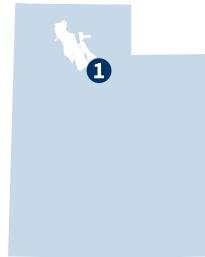
U.S. VIRGIN ISLANDS

- 1. St. Croix-Christiansted Post of Duty**
(787) 523-7120
sba.gov/pr
- 2. St. Thomas**
(787) 523-7120



UTAH

- 1. Salt Lake City**
(801) 524-3209
sba.gov/ut



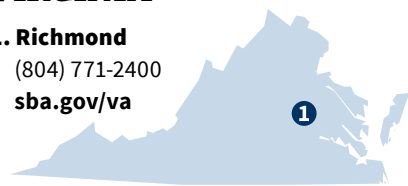
VERMONT

- 1. Montpelier**
(802) 828-4422
sba.gov/vt



VIRGINIA

- 1. Richmond**
(804) 771-2400
sba.gov/va



WASHINGTON

Also serving Benewah, Bonner, Boundary, Clearwater, Idaho, Kootenai, Latah, Lewis, Nez Perce, Shoshone counties, ID

- 1. Seattle**
(206) 553-7310
sba.gov/wa
- 2. Spokane**
(509) 353-2800



WASHINGTON, DC

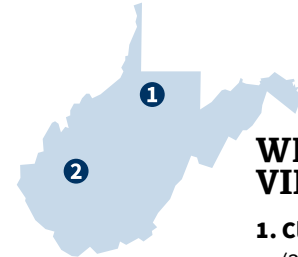
Also serving Montgomery and Prince George's counties, MD and Arlington, Fairfax, and Loudoun counties, VA

- 1. (202) 205-8800**
sba.gov/dc



WEST VIRGINIA

- 1. Clarksburg**
(304) 623-5631
sba.gov/wv
- 2. Charleston**
(304) 347-5220



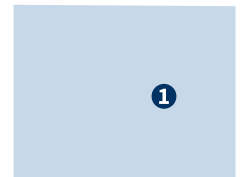
WISCONSIN

- 1. Milwaukee**
(414) 297-3941
sba.gov/wi
- 2. Madison**
(608) 441-5263



WYOMING

- 1. Casper**
(307) 261-6500
sba.gov/wy



*** Missouri counties served by the SBA Kansas City District Office:** Adair, Andrew, Atchison, Bates, Buchanan, Caldwell, Carroll, Cass, Chariton, Clay, Clinton, Cooper, Davies, DeKalb, Gentry, Grundy, Harrison, Henry, Holt, Howard, Jackson, Johnson, Lafayette, Linn, Livingston, Mercer, Nodaway, Pettis, Platte, Ray, Saline, Sullivan, and Worth.

Kansas counties served by the SBA Kansas City District Office: Allen, Anderson, Atchison, Bourbon, Brown, Cherokee, Coffey, Crawford, Doniphan, Douglas, Franklin, Jackson, Jefferson, Johnson, Labette, Leavenworth, Linn, Marshall, Miami, Montgomery, Nemaha, Neosho, Osage, Pottawatomie, Shawnee, Wilson, Woodson, and Wyandotte.



Adriana Medina, owner of Fuerte Fitness, in Seattle, WA, received counseling from a SCORE mentor and a Women's Business Center adviser.

COURTESY OF THE SBA

How to Start a Business

Thinking of starting a business? Here are the nuts & bolts.

The Startup Logistics

Even if you're running a home-based business, you will have to comply with many local, state, and federal regulations. Do not ignore regulatory details. You may avoid some red tape in the beginning, but your lack of compliance could become an obstacle as your business grows. Taking the time to research regulations is as important as knowing your market. Being out of compliance could leave you unprotected legally, lead to expensive penalties, and jeopardize your business.

Market Research

View consumer and business data for your area using the Census Business Builder: Small Business Edition, cbb.census.gov/sbe. Filter your search by business type and location to view data on your potential customers, including consumer spending, and a summary of existing businesses, available as a map and a report.

Business License & Zoning

Licenses are typically administered by a variety of state and local departments. It is important to consider zoning regulations when



COURTESY OF THE SBA

An O'Fallon Casting Inc. employee at work in O'Fallon, MO. General Manager Vince Gimeno grew his business thanks to the Small Business Innovation Research Program.

choosing a site for your business. Contact the local business license office where you plan to locate your business. You may not be permitted to conduct business out of your home or engage in industrial activity in a retail district.

Name Registration

Register your business name with the county clerk where your business is located. If you're a corporation, also register with the state.

Taxes

As a business owner, you should know your federal tax responsibilities and make some business decisions to comply with certain tax requirements. The IRS Small Business and Self-Employed Tax Center, irs.gov/businesses/small-businesses-self-employed, includes information on paying and filing income tax and finding an Employer ID Number.

As the IRS continues to implement some of the Tax Cuts and Jobs Act provisions, your tax obligations may change. For the latest tax reform updates that affect your bottom line visit irs.gov/tax-reform.

Social Security

If you have any employees, including officers of a corporation but not the sole proprietor or partners, you must make periodic payments, and/or file quarterly reports about payroll taxes and other mandatory deductions. You can contact the IRS or the Social Security Administration for information, assistance, and

forms, at (800) 772-1213 or visit socialsecurity.gov/employer. You can file W-2s online or verify job seekers through the Social Security Number Verification Service.

Employment Eligibility Verification

Employers must verify employment eligibility of new employees according to the Federal Immigration Reform and Control Act of 1986. The law obligates an employer to process Employment Eligibility Verification Form I-9. The U.S. Citizenship and Immigration Service offers information and assistance through uscis.gov/i-9-central. For forms, see uscis.gov/forms. For the employer hotline call (888) 464-4218 or email I-9central@dhs.gov.

E-Verify is the quickest way for employers to determine the employment eligibility of new hires by verifying the Social Security number and employment eligibility information reported on Form I-9. Visit e-verify.gov, call (888) 464-4218 or email e-verify@dhs.gov.

Health & Safety

All businesses with employees are required to comply with state and federal regulations regarding the protection of employees, visit employer.gov and dol.gov. The Occupational Safety and Health Administration enforces federal workplace specific health and safety standards. Call (800) 321-6742 or visit osha.gov.



Kari Weigel provides educational services to rural communities through her Sylvan Learning Center in Fargo, ND, which she expanded with the help of SBA-backed financing.

Employee Insurance

Check your state laws to see if you must provide unemployment or workers' compensation insurance for your employees. For health insurance options, call the Small Business Health Options program at (800) 706-7893 or visit [healthcare.gov/small-businesses/employers](https://www.healthcare.gov/small-businesses/employers).

Association Health Plans allow small businesses, including self-employed workers, to band together by geography or industry to obtain healthcare coverage as if they were a single large employer. For information, visit [dol.gov/general/topic/association-health-plans](https://www.dol.gov/general/topic/association-health-plans).

Environmental Regulations

» **Environmental Protection Agency Small Business Division**
[epa.gov/resources-small-businesses](https://www.epa.gov/resources-small-businesses)

State assistance is available for small businesses that must comply with environmental regulations under the Clean Air Act. State Small Business Environmental Assistance programs provide free and confidential assistance to help small business owners understand and comply with environmental regulations and permitting requirements. These state programs can help businesses reduce emissions at the source, often reducing regulatory burden and saving you money. To learn more about these free services visit nationalsbeap.org/states/list.

Accessibility & ADA Compliance

For assistance with the Americans with Disabilities Act, call the ADA center at (800) 949-4232 or the Department of Justice at (800) 514-0301. Direct questions about accessible design and the ADA standards to the U.S. Access Board at (800) 872-2253, TTY (800) 993-2822, ta@access-board.gov or visit [access-board.gov](https://www.access-board.gov).

Child Support

Employers are essential to the success of the child support program, collecting about 75% of support nationwide through payroll deductions. You're required to report all new and rehired employees to the State Directory of New Hires. If you have employees in two or more states, you may register with the Department of Health and Human Services to report all your employees to one state. Find electronic income withholding orders and the Child Support Portal, which can be used to report information to nearly all child support agencies, at [acf.hhs.gov/programs/css/employers](https://www.acf.hhs.gov/programs/css/employers). Send questions to employerservices@acf.hhs.gov.

Intellectual Property

Patents, trademarks, and copyrights are types of intellectual property that serve to protect creations and innovations. The United States Patent and Trademark Office is the federal agency that grants U.S. patents and registers trademarks. For information and resources about U.S. patents and federally registered trademarks, consult [uspto.gov](https://www.uspto.gov), call (800) 786-9199, or visit your nearest office:

- USPTO headquarters in Alexandria, Virginia
- Elijah J. McCoy Midwest Regional Office in Detroit, Michigan, [uspto.gov/detroit](https://www.uspto.gov/detroit)
- Rocky Mountain Regional Office in Denver, Colorado, [uspto.gov/denver](https://www.uspto.gov/denver)
- Silicon Valley Regional Office in San Jose, California, [uspto.gov/siliconvalley](https://www.uspto.gov/siliconvalley)
- Texas Regional Office in Dallas, [uspto.gov/texas](https://www.uspto.gov/texas)

A patent for an invention is the grant of a property right to an inventor, issued by the USPTO. The right conferred by the patent grant is the right to exclude others from making, using, offering for sale, or selling the invention in the United States or importing the invention into the country. For information on patents and resources for inventors and entrepreneurs, visit [uspto.gov/inventors](https://www.uspto.gov/inventors).

A trademark or service mark includes any word, name, symbol, device, or any combination, used to identify and distinguish the goods/services of one provider from others. Trademarks and service marks can be registered at both the state and federal level. The U.S. Patent and Trademark Office only registers federal trademarks and service marks, which may conflict with and supersede state trademarks. Visit [uspto.gov/trademarks](https://www.uspto.gov/trademarks).

Copyrights protect original works of authorship including literary, dramatic, musical and artistic, and certain other intellectual works, such as computer software. Copyrights do not protect facts, ideas, and systems, although they may protect the way they are expressed. For general information on copyrights, contact:

» **U.S. Copyright Office**

U.S. Library of Congress
James Madison Memorial Building
101 Independence Ave. SE
Washington, DC
(202) 707-3000 or toll free (877) 476-0778
[copyright.gov](https://www.copyright.gov)



**Only Hiscox sees your business
is as unique as a barcode.**

Hiscox, America's #1 online business insurer, tailors its policies
to each small business's very specific needs ... and yours.

Get a quote and buy online at
Hiscox.com or call 877-250-4158.


HISCOX
business insurance experts

Entrepreneurial Resources

Online Learning

Find free short courses and learning tools to start and grow your small business at sba.gov/learning. The SBA's free Online Learning Center is a great resource for every entrepreneur, especially rural business owners looking for easy access to vital business training.

Courses include:

- writing your business plan
- understanding your customer
- buying a business
- marketing to win customers
- legal requirements
- financing options
- disaster recovery



Native American Workshops

Native American, Alaska native, and native Hawaiian entrepreneurs are eligible to receive free training on how to start and grow their business from experienced industry leaders in the field of Native American business development. The SBA Office of Native American Affairs, sba.gov/naa, works with Sister Sky Inc. and RedWind to reach as many locations as possible. Network with native peers and get connected to business assistance in your area. To register for a workshop near you, visit nativesba.sisterskyinc.com or nativesmallbusiness.org.

Small businesses
power our economy.

The SBA **powers**
small businesses.

During these uncertain times, we're still here for you. Whether you're in need of financial assistance or reworking your business plan, SBA has your back... because small business is our business.

Contact sba.gov to learn how to move your business forward with confidence.



U.S. Small Business
Administration

What business structure is right for you?



CONTROL



RISK



CAPITAL

SOLE PROPRIETORSHIP

Owner has full control

Personally liable for all debts/obligations

Company not taxable
Owner subject to self employment tax
Owner provides capital

PARTNERSHIPS

Limited partnerships can only have 1 general partner, general partners have greater control

Separate and independent from its owners
General partners have unlimited liability
Limited partners' liability is limited to what they agree to contribute

Profits are taxed as income based on ownership percentage or other criteria in the partnership agreement
General partners have no limits on profit dividends
Partners pay self-employment taxes

LIMITED LIABILITY COMPANY

Members set up LLC agreement

Members are not typically held liable for debts/obligations

Income passes through to members
Members may sell interests, but subject to agreement and securities laws may apply

CORPORATIONS

Based off percentage of shares

Shareholders elect directors who manage business

Shareholders are not typically held liable for debts/obligations

C corps are taxed at corporate rate and then again if distributed to shareholders in dividends

S corps allow profits and some losses to be passed to shareholders' personal income, avoiding corporate tax rate; but not shareholder distributions.

Shares of stock are sold to raise capital, securities laws apply

Contact your local SBA office or resource partner at [sba.gov/localassistance](https://www.sba.gov/localassistance) for more information on business structures and incorporating. Consult with your tax and/or legal adviser to choose the structure that works best for your business. Visit [irs.gov](https://www.irs.gov) for the latest tax updates and forms.



COURTESY OF GETTY IMAGES

Building Your Business Support Network During COVID Recovery

Expand your virtual network for small business success.

Even though entrepreneurship has many benefits, operating a small business presents its own type of stress. Not every family member or friend will understand or empathize with your entrepreneurial journey, especially not during difficult economic times. The key is connecting with other entrepreneurs who can offer advice, share opportunities, and listen to your big ideas. Value your inner circle while also broadening your virtual network of support.

Consider these following strategies to engage with others virtually while growing and expanding in a pandemic recovery economy.

1 School ties
Reconnect with former professors/teachers/mentors via email. Ask if they have any opportunities to speak in their virtual classrooms or on panels about your post-graduate experience. Sign up for alumni e-newsletters. Class notes sections in your alumni publications are a great way to let former classmates and teachers know what you're doing now. As you succeed and expand, this could open up avenues for hiring seasonal workers, starting an internship program, or bidding on a project. The same holds true if you have children. You could offer a special virtual workshop for students and/or parents on your expertise or industry—expanding your reach in your community.

2 Chambers of Commerce

Follow your local or state chambers on social media and sign up for their online events. You may learn how to better navigate a government process via an online workshop. You can connect with other professionals at a virtual happy hour. Follow those new contacts on social media and share your own industry with them on your own platforms.

3 SCORE

Experienced executives who now volunteer with an organization called SCORE share real-world knowledge to fit your busy schedule. SCORE mentors are available for free as often as you need. Visit sba.gov/score to connect with a mentor via email or video chat.

4 Faith-based community

Your spiritual relationship with the members of your religious community can positively effect your personal life and business goals. During this time, faith-based organizations will promote healthy, productive small group and virtual meetings for members to connect.

5 Special interest classes

Find small-group or online classes that match your interests or professional goals. It's easy to forget that we form bonds with people we meet through leisure activities. Wanting to learn how to make a desk for your home office? Want to improve your writing or public speaking skills? Now is a great time to find a creative class, since so many teachers and craftspeople are opening up their rosters virtually—you no longer have to be in a big city to take advantage of all it has to offer.

6 Former coworkers

Email and connect over social media with previous coworkers. Their skillsets might be useful for your next idea, or they can provide insights or contacts for growth and expansion.

7 Professional conferences

Most professional conferences will still be meeting—but online. Check out the conferences you have attended in the past. Search for new networking and growth development conferences specific to your industry or other special group. Now is the time to renew memberships. You can get a lot of inspiration and information by not only attending virtual events, but potentially sponsoring or speaking at one.

8 Economic Development Authorities

The monthly informative brunches and social hours at your favorite restaurant may be on hiatus, but chances are your local EDA has moved those sessions online. Sign up for all local and regional EDA e-newsletters and book up your calendar without leaving home.

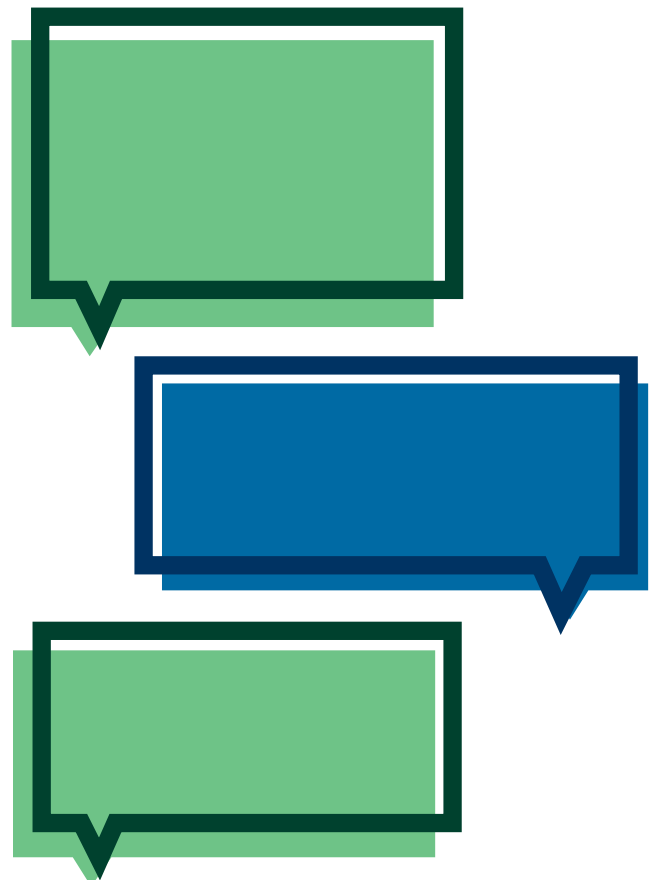
9 Social Media Groups

Interfacing with other business owners in your community, let alone the world, is as easy as signing on to Facebook or LinkedIn. Building connections that go beyond day-to-day business matters can provide new ideas and different perspectives. Online groups have burgeoned in the new economy. If you don't see one that matches your industry or specialization, start it up. Many entrepreneurs have made an online pivot using social media videos and teaching sessions. Others use Twitter to notify clients about mobile locations, delivery specials, and at-home kits.

10 SBA webinars or online workshops

Find your local district office at sba.gov/localassistance and follow its events/news on Twitter. Sign up for email updates. Register for free webinars on diverse business topics like financing options, business certifications for government contracting, and navigating SBA disaster assistance. Where ever you are in the business lifecycle, the SBA is here to help.

WRITTEN BY **Ijeoma S. Nwatu**, CONTRIBUTOR
AND **Becky Bosshart**, WRITER/EDITOR



AVMAC President/CEO Bert Ortiz, left, and fellow U.S. Navy veteran and electrician Ken Morey manufacturing a power panel bracket.



◀ HOW THE SBA HELPED ME SUCCEED

U.S. Navy veteran Roberto Ortiz puts his 40 years of aviation management experience to use as a small business owner in Chesapeake, VA. Bert expanded AVMAC Inc. into the government sector fulfilling aviation and maritime logistical services with the help of his local SBA Veterans Business Outreach Center. VBOCs are the first stop for military community entrepreneurs looking to start, grow, or expand a small business. The Old Dominion University VBOC helped Bert obtain government contracting business certifications. With its support, Bert strategically positioned AVMAC to better compete for large-scale government contracts. From AVMAC's first contract in 2010, this veteran-led company has nearly doubled in revenue and grown to over 400 employees.



Opportunities for Veterans

Military community members become more successful entrepreneurs with the help of the SBA.

Entrepreneurship training

In Boots to Business, explore business ownership and other self-employment opportunities while learning key business concepts. Walk away with an overview of entrepreneurship and applicable business ownership fundamentals, including how to access startup capital using SBA resources. Boots to Business is conducted on all military installations as part of the Department of Defense's Transition Assistance Program.

Who's eligible

Service members transitioning out of active duty and military spouses. Boots to Business: Reboot, for veterans, National Guard or Reserve members and military spouses, teaches this entrepreneurship curriculum off base in communities. Register for either B2B program at <https://sbavets.force.com>.

For women veterans

Receive entrepreneurial training geared toward women veterans, service

members, and spouses through these SBA-funded programs:

- » ONABEN in Tulsa, Oklahoma
- » Veteran Women Igniting the Spirit of Entrepreneurship in Syracuse, New York
- » LiftFund in San Antonio, Texas

For service-disabled veterans

Learn how to start and grow a small business using these SBA-funded programs:

- » Entrepreneurship Bootcamp for Veterans with Disabilities at the Institute for Veteran and Military Families at Syracuse University in Syracuse, New York
- » Entrepreneurship Bootcamp for Veterans with Disabilities at St. Joseph's University in Philadelphia, Pennsylvania
- » Veterans Entrepreneurship Program at the Riata Center for Entrepreneurship, Spears School of Business, Oklahoma State University in Stillwater, Oklahoma
- » Dog Tag Inc., affiliated with Georgetown University in Washington, DC

Financing

Employee called to active duty?

You can receive funds that enable your business to meet ordinary and necessary operating expenses when an essential employee is called up to active duty in the military reserve. Ask your local SBA specialist or lender about the Military Reservist Economic Injury Disaster Loan.

Government contracting

Veteran-owned and service-disabled veteran-owned small businesses that want to better compete in the public market receive training from the Veteran Institute for Procurement, nationalvip.org.

VIP Start

Enter the federal market and become ready for procurement.

VIP Grow

Strategize to expand and operate within the federal marketplace.

VIP International

Enter or expand your federal and commercial contracting opportunities overseas.

Get certified

Learn about the service-disabled veteran-owned small business certification program on page 48.

Need assistance?

Veteran and military entrepreneurs receive business training, counseling, and referrals to other SBA Resource Partners at a Veterans Business Outreach Center, sba.gov/vboc. For veterans business information visit sba.gov/veterans.



COURTESY OF AVMAC INC.

10 Tips

to Help You Build and Grow a Stand-Out Small Business Brand

Build a better business with these time-tested tips.



Elliot Henry, who received SBA-backed 7(a) and 504 loans, runs Unlimited Water Processing in St. Louis, MO.

COURTESY OF THE SBA

The United States loves small businesses. That's according to a survey by the Pew Foundation reported by Small Business Trends, smallbiztrends.com, which found that 71% of Americans view small business more favorably than any other institutions.

Why is this? Well, small businesses are seen as a positive influence. But it's more than that.

Small businesses are in a unique position to create valuable customer experiences. Their products and services are often niche, the target customer is very defined. Business operations

are agile and unconstrained by corporate rules and processes. Small businesses are also trusted for their integrity, community engagement, and customer service. When was the last time you called a small business and got put through to an automated call center? These things come together to create a hugely competitive value proposition, the linchpin of your brand.

But what can you do to leverage these experiences and grow the appeal of your brand without breaking the bank?

1 What is Your Brand?

It's important to understand that your brand is much more than your logo, merchandising or products. It is all the experiences customers have with your business, including the visual elements of your business. It also includes what you do, how you do it, customer interactions, and your marketing. All of these elements help establish the trust and credibility of your business.

2 Stand Out

If your brand is going to be strong, you need to be able to pinpoint what makes you different from competitors. A SCORE mentor, sba.gov/score, can help you use competitive differentiators to build your business brand. Don't forget to weave your differentiators into your company's messaging and marketing.

3 Have Great Products and Services

Word of mouth is often a small business's greatest lead generator, so having great products and services that people talk about is a critical part of your brand. Even the most outgoing and charming small business owner is not going to succeed in bringing customers back unless the product or service they provide delivers and exceeds expectations. Don't lose sight of your product, keep refining it, testing new offerings, and making sure you always put product first.

4 Make Sure Your Customers Know the Face Behind the Product

One of the biggest reasons that small businesses fail is because of the persistent absence of the business owner. You only need to look at a few episodes of business makeover TV shows to witness what can go wrong when a business is left to run itself. Without an actively engaged owner, employees lose motivation and structure, which can quickly lead to sloppy service, a poor product, and customer churn. Yes, your business needs to be able to function without your constant presence, but it's important to strike a balance. Find ways to make sure your customers know you and connect with the face behind the business. Businesses thrive when the energy of the owner is present.

5 Get Your Name and Logo Right

It's important to get this right the first time because changing your name and logo later can be costly. Your logo and name should be easily recognizable and reflect the nature and tone of your business as well as appeal to your target market. I'm a dog owner, and two of my absolute favorite small businesses cater to pet owners: my local provider of dog walking services and a healthful pet food store. When I see their logos, it makes me feel good; I feel an affinity with them. That's what you need to shoot for.

6 Have a Distinct Voice

A great way to ensure your distinct brand message is delivered consistently across your business is to focus on how you and your employees interact and communicate with customers in person, on the phone, and on social media. Not sure what your "voice" should be? Look to other brands. What do they do that you'd like to emulate? How do they greet and interact with you? What is it they do that makes you feel good about doing business with them?

7 Build Community Around What you Do

A successful brand is one trusted and respected by customers. Building a strong community online and off can help you achieve this. You don't have to spend a lot of money to do this. In fact, many successful brands concentrate almost exclusively in online and offline community building. Offline participation in community activities, such as local events, fundraisers, and charities, as well as hosting your own events, such as workshops or loyal customer events, can all help you build community and extend the trust your brand has earned.

8 Be an Advocate for Your Business—Not Just a Salesman

You don't have to be the greatest salesman to succeed in business. Selling takes many forms, and being a brand advocate gels them. For example, many small business owners strive to be the number one salesman, the number one cheerleader, and the number one fan of their own business. If you are passionate about your business, be an advocate for it. Invite people in!

9 Be Reliable

Letting your customers down by failing to live up to your own promises and brand standards can be particularly harmful for small businesses that depend heavily on referrals. The foundation of brand loyalty lies in great service; a happy customer is a loyal customer. Make sure you aren't making promises that you can't keep, whether you run a pizza business and pledge to deliver within 30 minutes, or you're a painting contractor who promises to start a job on a Monday at 9 a.m. sharp. Stand by your promises.

10 Have a Value Proposition

Value, not to be mistaken with price, can help define your brand and differentiate you from the competition. This goes back to my second point about standing out. What niche do you serve? What do you do well in that niche that makes you different from everyone else? What are the emotional benefits of what you do? The answers to these questions will help define what your value is to your customers. It could be your great customer service, product quality, innovation, or a combination of these.

WRITTEN BY **Caron Beesley**, CONTRIBUTOR

How Do I Find an EIN?



No doubt, there are probably quite a few regulatory and administrative items on your new business checklist, like getting a permit and registering your business name.

One of the key requirements for most new businesses (or businesses that are restructuring) is obtaining an Employer Identification Number, or EIN, from the IRS.

Here's what you need to know about EINs and how to go about getting one for your business.

What is an EIN?

An EIN is a unique nine-digit number that identifies your business for tax purposes. Think of it as the business equivalent of a social security number (although it shouldn't be used in place of it).

As a business owner, you'll need an EIN to open a business bank account, apply for business licenses, and file your tax returns. It's a good idea to apply for one as soon as you start planning your business. This will ensure there are no delays in getting the appropriate licenses or financing that you need to operate.

Who needs an EIN?

An EIN is needed by any business that retains employees. However, non employers are also required to obtain one if they operate as a corporation or partnership.

Answering yes to any of the questions in the list on the right means you need one for your business.

How to apply for an EIN

The easiest way to apply for your EIN is online via the IRS EIN Assistant. As soon as your application is complete and validated, you'll be issued an EIN. There is no charge for this service (beware of internet scams that will try to sell you their EIN application services).

You can also apply by mail or fax using Form SS-4, available at [irs.gov/formss4](https://www.irs.gov/formss4).

Changing your business structure? Get a new EIN

As your business grows and matures, you may choose to change its legal or ownership structure. For example, a sole proprietor may decide to incorporate, or a partnership may be taken over by one of the owners to then operate as a sole proprietorship. In instances such as these, your business will need a new EIN.

There are other scenarios that require a new EIN, such as bankruptcy, a change in a corporation's name or location, or reorganization of a corporation. Check out "Do You Need a New EIN" on [irs.gov](https://www.irs.gov).

Using your EIN to make tax deposits

If you have employees, you will have been automatically enrolled in the Electronic Federal Tax Payment System (eftps.gov) when you applied for your EIN. This allows you to make tax deposits, including federal employment and corporate taxes, online or by phone.

Lost your EIN?

If you lost or misplaced your EIN, you can retrieve it in the following ways:

- Reference the original notice issued by the IRS when you received your EIN, or call the IRS Business & Specialty Tax Line at (800) 829-4933.
- If you used it to open a bank account or get a license, contact these

Not sure whether you need an EIN?

Check out this guide from the IRS. **Answering yes to any of the questions in the list means you need one for your business.**

Do you have employees?

☐ YES ☐ NO

Do you operate your business as a corporation or a partnership?

☐ YES ☐ NO

Do you file any of these tax returns: employment, excise, or alcohol, tobacco and firearms?

☐ YES ☐ NO

Do you withhold taxes on income, other than wages, paid to a non-resident alien?

☐ YES ☐ NO

Do you have a Keogh plan?

☐ YES ☐ NO

Are you involved with any of the following types of organizations?

- Trusts, except certain grantor-owned revocable trusts, IRAs, Exempt Organization Business Income Tax Returns
- Estates
- Real estate mortgage investment conduits
- Nonprofit organizations
- Farmers' cooperatives
- Plan administrators

☐ YES ☐ NO

organizations. They should be able to retrieve your number.

- Find an old tax return. Your EIN should be on it.

WRITTEN BY **Caron Beesley**, CONTRIBUTOR



10 STEPS to Start Your Business

Starting a business involves planning, making key financial decisions, and completing a series of legal requirements.

1 Conduct market research
This will tell you if there's an opportunity to turn your idea into a successful business. Gather information about potential customers and businesses already operating in your area so you can use that information to find a competitive advantage.

2 Write your business plan
This is the roadmap for how to structure, run, and grow your new business. You'll use it to convince people that working with you and/or investing in your company is a smart choice.

3 Fund your business
Your business plan will help you figure out how much money you'll need to startup. Investors or lenders will help you get the amount you need.

4 Pick your business location
Are you setting up a brick-and mortar business or launching online?

5 Choose a business structure
The legal structure you choose for your business will affect your business registration requirements, how much you pay in taxes, and your personal liability (see page 19).

6 Choose your business name
Pick a name reflecting your brand. Check your secretary of state's website to make sure your business name isn't already being used.

7 Register your business
Once you've picked the perfect business name, it's time to make it legal and protect your brand. If you're doing business under a name different than your own, you'll need to register with the federal government and often your state government.

8 Get federal and state tax IDs
You'll use your Employer Identification Number for important steps to start and grow your business, like opening a bank account and paying taxes. It's like a social security number for your business. Some, but not all, states require you to get a tax ID as well.

9 Apply for licenses and permits
Keep your business running smoothly by staying legally compliant. The licenses and permits you need for your business vary by industry, state, and location.

10 Open a business bank account
A small business checking account can help you handle legal, tax, and day-to-day issues.



Write your Business Plan

Your business plan is the foundation of your business. Learn how to write a business plan with the help of an SBA Resource Partner.



Business plans help you run your business.

A good business plan guides you through managing your business. You'll use your business plan as a roadmap for how to structure, run, and grow your new business.

Business plans can help you get funding or bring on new business partners. Investors want to see a return on their investment. Your business plan is the tool you'll use to convince people that working with you—or investing in your company—is a smart investment. Brain storm with a business counselor (visit one of our SBA Resource Partners detailed on page 10) and write a **traditional business plan**, which uses a standard structure and detailed sections. Once you've got it all down, you can then condense it to a lean startup business plan, which typically contains key points on only one page.

TRADITIONAL BUSINESS PLAN FORMAT

When you write your business plan, you don't have to stick to the exact business plan template. Instead, use the sections that make the most sense for your business and your needs.

Executive Summary

Briefly summarize your company and why it will be successful. Include your mission statement, your product or service, and basic information about your company's leadership team, employees, and location. You should also include financial information and high-level growth plans if you plan to ask for financing.

Company Description

Go into detail about the problems your business solves. Be specific as to audience and location. List out the consumers, organizations, or businesses your company plans to serve.

Explain the competitive advantages you have that will make your business successful. Are there experts on your team? Have you found the perfect location? Your company description is the place to boast about your strengths.

Market Analysis

Demonstrate a solid understanding of your industry outlook and target market. This is where it pays to partner with an experienced business counselor from your local Small Business Development Center, SCORE, Women's Business Center, or Veterans Business Outreach Center—all these SBA Resource Partners provide free or low-cost business assistance. Competitive research will show what other businesses are doing and their strengths. In your market research, look for trends and themes. What do successful competitors do? Why does it work? Can you do it better? Now's the time to answer these questions.

Organization and Management

Explain how your company will be structured and who will run it.

Describe the legal structure of your business. State whether you have or intend to incorporate your business as a C or an S corporation, form a general or limited partnership, or if you're a sole proprietor or limited liability company.

Want to see an example of a business plan?

View examples of business plans at [sba.gov/business-guide/plan/write-your-business-plan-template](https://www.sba.gov/business-guide/plan/write-your-business-plan-template)

TRADITIONAL BUSINESS PLAN CHECKLIST

- ☐ Executive summary
- ☐ Company description
- ☐ Market analysis
- ☐ Organization and management
- ☐ Service or product line
- ☐ Marketing and sales
- ☐ Funding request
- ☐ Financial projections
- ☐ Appendix

Use an organizational chart to show the hierarchy. Explain how each person's experience will contribute to the success of your venture. Consider including CVs of key members.

Service or Product Line

Describe what you sell or what service you offer. Explain how it benefits your customers and the product lifecycle. Share your plans for intellectual property, like copyright or patent filings. If you're doing research and development for your service or product, explain it.

Marketing and Sales

Your marketing strategy should evolve and change to fit your needs in each context.

Describe how you'll attract and retain customers. Show how a sale will actually happen. You'll refer to this section later when you make financial projections, so be thorough.

Funding Request

If you're asking for funding, outline your funding requirements. Specify whether you want debt or equity and the terms you'd like. Your goal is to clearly explain how much funding you'll need over the next five years and how the investment will be used.

Specify if you need funds to buy equipment or materials, pay salaries, or cover specific bills until revenue increases. Explain how you'll pay off the debt.

Financial Projections

Supplement your funding request with a prospective financial outlook for the next five years. Show how your business will be a financial success. Include forecasted income statements, balance sheets, cash flow statements, and capital expenditure budgets. For the first year, be even more specific and use quarterly—or even monthly—projections. Explain your projections and match them to your funding requests.

If your business is already established, include income statements, balance sheets, and cash flow statements for the last three to five years. List collateral you could put against a loan.

Use visual organization tools--graphs and charts—to tell your business's financial story.

Appendix

Here you'll attach supporting documents or other requested materials. Common items to include are credit histories, CVs, product pictures, letters of reference, licenses, permits, patents, legal documents, and other contracts.

LEAN STARTUP PLAN FORMAT

Write a lean startup plan if requested from an investor, or if your business is relatively simple or you plan to regularly change and refine as you go.

Lean startup plans use more visual organization tools and only a handful of elements to describe your company's value proposition, infrastructure, customers, and finances. They're useful for visualizing your company's fundamental facts. Your business counselor can help you edit down into the Business Model Canvas, used here—the most well known style, or another lean startup template.

Key Partnerships

Note the other businesses you'll work with, such as suppliers, manufacturers, subcontractors, and strategic partners.

Key Activities

List the ways your business will gain a competitive advantage. Will you sell direct to consumers or use technology to tap into the sharing economy?

Key Resources

List resources you'll leverage to create value for your customer. Your most important assets include staff, capital, and intellectual property. Leverage business resources that might be available to women, veterans, Native Americans, and HUBZone-certified businesses.

Value Proposition

Make a clear and compelling statement about the unique value your company brings to the market.

Customer Relationships

Describe how customers will interact with your business. Think through the customer experience from start to finish. Is it automated or personal? In person or online?

Customer Segments

Name your target market. Your business won't be for everybody; it's important to have a clear sense of who you serve.

Channels

List the most important ways you'll talk to your customers.

Cost Structure

Will your company focus on reducing cost or maximizing value? Define your strategy, then list the most significant costs you'll face.

Revenue Streams

Explain how your company makes money: direct sales, memberships fees, selling advertising space? If your company has multiple revenue streams, list them all.

LEAN STARTUP PLAN CHECKLIST

- | | |
|-------------------------------------------------|--------------------------------------------|
| <input type="checkbox"/> Key partnerships | <input type="checkbox"/> Customer segments |
| <input type="checkbox"/> Key activities | <input type="checkbox"/> Channels |
| <input type="checkbox"/> Key resources | <input type="checkbox"/> Cost structure |
| <input type="checkbox"/> Value proposition | <input type="checkbox"/> Revenue streams |
| <input type="checkbox"/> Customer relationships | |

FUNDING PROGRAMS

Financing Your Small Business

How We Did It

Crafting a Business

SBA-backed financing helped Superstition Meadery expand into a multimillion dollar enterprise.

WRITTEN BY BECKY BOSSHART

Jennifer and Jeff Herbert's home-based brewing has expanded into a global, multimillion dollar enterprise thanks to SBA assistance. Using Arizona honey and ingredients they've sourced from around the world (such as Tahitian vanilla and Moroccan saffron), the Herberts are selling nearly 30,000 gallons annually of their honey-based fermented beverage. They operate a downtown Prescott, Arizona tasting room and state-of-the-art production facility, creating jobs and building a local craft industry. The Herberts, founding members of the American Mead Makers Association, have traveled around the world hosting pairing events and pouring at craft beverage festivals.


Challenge

The Herberts wanted to scale up their meadery while also staying true to their values of quality ingredients and craft process. It is often difficult for new entrepreneurs or unique concepts like a meadery to get traditional financing, even though they knew they had a great idea, the backing wasn't there to expand. They say that choosing to do something new breaks the mold, which can be uncomfortable for traditional lenders.

Solution

Thanks to guidance from an SBA Resource Partner, the Small Business Development Center at Yavapai Community College, Jennifer and Jeff learned about financing that worked for them. The SBA guarantees loans made by lending institutions to small business that would not otherwise be able to obtain financing. Their small business qualified for two SBA-backed loans totaling more than \$600,000. The Herberts' first SBA-backed loan allowed them to acquire commercial property to design and build their mead production facility. Their second SBA-backed loan provided the funding for professional brewing equipment to complete their 7,450-square-foot production space. The Herberts recently purchased a historic building in downtown Phoenix, Arizona to open a mead-pairing restaurant.

Benefit

The Herberts started with two employees and now have over 20 producing 29,000 gallons this year. From a homegrown setup, Jennifer and Jeff are now charting revenue in excess of \$2.6 million and distributing to 37 states, across Europe and Southeast Asia. They have plans for another expansion, including a shipping warehouse to manage their online retail and wholesale orders. 



Jeff & Jennifer Herbert, owners of Superstition Meadery, completed their 7,450-square-foot production space and opened a tasting room in Prescott, AZ with the assistance of SBA-backed financing. See their story on YouTube by searching for the 2019 National Small Business Persons of the Year.

5 Tips for Success

Get guidance.

Develop a working relationship with an SBA Resource Partner (see page 10). Your business adviser will help make your business ready for financing.

Define your lending needs.

Determine if a loan is right for you and if this is the right time. Define your needs. How much do you need? What are you going to use it for? Include this in your business plan.

Keep clear records.

Track your cash, inventory, accounts payable & receivable, payroll, sales, purchases, loans payable, owners' equity, and retained earnings. Most lenders will want to see this data, balance sheets, and profit & loss statements for multiple years.

Talk to multiple lenders

Talk to multiple lenders and see who best matches your business. Lenders have different levels of risk and types of industries they take on.

Check all options.

SBA Lenders determine if you're eligible for SBA financing programs based on your industry & experience, collateral, credit score, and the relationship & transparency you develop with the lending agent.

COVID-19 Economic Recovery

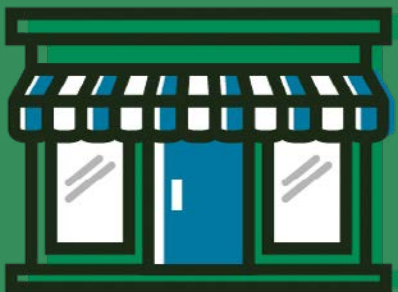
Eligible small businesses affected by the Coronavirus pandemic can meet ongoing obligations and working capital needs with the help of the SBA.

- Those with a current SBA-backed 7(a) or 504 loans and new loans issued before Sept. 27, 2020 can receive debt relief for six months on the principal, interest, and fees.
- See if you qualify for an Economic Injury Disaster Loan (see pg. 38), which comes with a one-year deferment on interest and loan payments.
- Those with existing SBA disaster assistance loans have automatic payment deferment through 2020.

Visit **sba.gov/coronavirus** for more information on SBA assistance to small businesses.

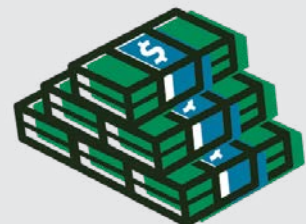
Lender Match

Find a lender interested in working with you at **sba.gov/lendermatch**. This matching tool connects entrepreneurs with SBA Lenders and helps you find debt relief.



The SBA helps

small business owners and entrepreneurs who are creditworthy but do not have access to credit elsewhere. If you cannot obtain a business loan with reasonable rates and terms, contact your local SBA Lender to see if you are eligible for an SBA program. The SBA works with participating lenders to reduce their risk, increasing the likelihood your loan will be approved with the terms that work best for you. The guarantee is conditional on the lender following SBA program requirements. Just like with any other loan, you make your loan payments directly to your lender in accordance with your terms.



Need Financing?

Visit your local SBA office or lender to learn about these funding options.

The 7(a) Loan, the SBA's Largest Financing Program

If you are unable to qualify for conventional financing and you meet the eligibility requirements, use a 7(a) loan to buy real estate, equipment or inventory for your small business. It may also be used for working capital, to refinance business debt or purchase a small business.

MAX LOAN AMOUNT: \$5 million

INTEREST RATE: generally prime + a reasonable rate capped at 2.75%

TERMS: loan term varies according to the purpose of the loan, generally up to 25 years for real estate, 10 years for other fixed assets and working capital

GUARANTEE: 50 to 90%

CAPLines

Meet your revolving capital needs with lines of credit. CAPLines can be used for contract financing, seasonal lines of credit, builders line of credit, or for general working capital lines.

SBA Express Loan

Featuring a simplified process, these loans are delivered by experienced lenders who are authorized to make the credit decision for the SBA. These can be term loans or revolving lines of credit.

MAX LOAN AMOUNT: \$350,000

INTEREST RATE: for loans less than \$50,000, prime + 6.5%; for loans of \$50,000 and greater, prime + 4.75%

TERMS: loan term varies according to the purpose of the loan, generally up to 25 years for real estate and 10 years for other fixed assets and working capital

GUARANTEE: 50%

Community Advantage

A financing program for women, veterans, low-income borrowers, and minority entrepreneurs just starting up or in business for a few years. Receive free business counseling as you work with a community-based financial institution.

INTEREST RATE: prime + 6%

TERMS: up to 25 years for real estate, 10 years for equipment and working capital

GUARANTEE: 75 to 90%



Microloans

Eligible businesses can start up and grow with working capital or funds for supplies, equipment, furniture and fixtures. Borrow from \$500 to \$50,000 and access free business counseling from microlenders.

INTEREST RATE: loans less than \$10,000, lender cost + 8.5%; loans \$10,000 and greater, lender cost + 7.75%

TERMS: lender negotiated, no early payoff penalty

504 Certified Development Company Loan

For those who cannot find traditional financing but would like to purchase/renovate real estate or buy heavy equipment for a small business. It provides competitive fixed-rate mortgage financing through a lender and a certified development company.

MAX LOAN AMOUNT (UP TO 40% OF THE TOTAL PROJECT): up to \$5 million; \$5.5 million for manufacturing or energy public policy projects

INTEREST RATE: below market fixed rates for 10, 20 or 25 year terms

TERMS: 20 or 25 years for real estate or long-term equipment, 10 years for general machinery and equipment

GUARANTEE: the lender provides a senior loan for 50% of the project cost (with no SBA guarantee); the CDC finances up to 40% in a junior lien position (supported by the SBA guarantee)

SPECIAL CONDITION: a minimum borrower contribution, or down payment, is required. Amounts vary by project but are usually 10%

Go Global with International Trade

Stabilize seasonal sales and become less dependent on any one market by exporting.



Expand your Market

Small businesses can enter and excel in the international marketplace using State Trade Expansion Program grants and training. Visit sba.gov/internationaltrade to find out if your state is participating. You can:

- learn how to export
- participate in foreign trade missions and trade shows
- obtain services to support foreign market entry
- translate websites to attract foreign buyers
- design international marketing products or campaigns

Financing for International Growth

Having trouble securing capital to meet your small business exporting needs? Use SBA international trade programs to cover short or long-term costs necessary to sell goods or services abroad. Loan proceeds can be used for working capital to finance

foreign sales or for fixed assets, helping you better compete globally. Apply for lines of credit prior to finalizing an export sale or contract and adequate financing will be in place by the time you win your contract. If you've been in business for at least a year, ask your area SBA regional finance manager about the Export Working Capital program. The International Trade Loan program also helps exporters who have been adversely affected by foreign importing competition, helping you better compete globally.

Max loan amount: \$5 million

Interest rate: for Export Working Capital, the rate is negotiated between borrower and lender. For the International Trade Loan, it also cannot exceed prime + 2.75% for loan amounts over \$50,000 and maturity of seven years or more.

Terms: For Export Working Capital, typically one year, cannot exceed three years. For International Trade Loans, up to 25 years for real estate, up to 10 years for equipment.

Guarantee: up to 90%

Expert Advice on Exporting

Find an SBA professional in one of the 21 U.S. Export Assistance Centers, sba.gov/tools/local-assistance/eac, located in most major metro areas. The centers are also staffed by the U.S. Department of Commerce and, in some locations, the Export-Import Bank of the United States and other public and private organizations. Visit your local Small Business Development Center (see page 8) for exporting assistance from professional business counselors.

Export Express uses a streamlined process that expedites the SBA guarantee—what small businesses need most when preparing to export or ramping up international trade on a fast timeline.

Max loan amount: \$500,000

Interest rate: typically not to exceed prime + 6.5%

Terms: up to 25 years for real estate, up to 10 years for equipment, up to seven years for lines of credit

Guarantee: up to 90%

Approval time: 36 hours or less

Help with Trade Barriers

If you need assistance with international trade regulations, the SBA can be your advocate in foreign markets. Call toll free (855) 722-4877 or email your contact information and trade issue to international@sba.gov.



COURTESY OF THE SBA

▲ HOW THE SBA HELPED US SUCCEED

Small businesses that qualify for the SBA State Trade Expansion Program use grant proceeds to bolster their international market presence, which EarthQuaker Devices has done in a seismic way. A manufacturer of guitar special effects pedals in Akron, OH, EarthQuaker has built an international social media fanbase delivering content in seven languages, generating millions of website page views.

EarthQuaker owners Julie Robbins & Jamie Stillman developed their global marketing strategy and multilingual promo materials with the SBA State Trade Expansion Program. The couple also received global marketing counseling and research assistance from the Ohio Small Business Development Center Export Assistance Network.

Help with Trade Barriers

If you need assistance with international trade regulations, the SBA can be your advocate in foreign markets. Call toll free (855) 722-4877 or email your contact information and trade issue to international@sba.gov.

R&D Opportunities for High Growth Startups

Businesses engaged in high-risk research and development can compete to develop their tech to market.



◀ HOW THE SBA HELPED US SUCCEED

Thanks to Small Business Innovation Research program funding, Adelanto, CA-based Exquadrum Inc. President Eric Schmidt, left, and CEO Kevin Mahaffy developed advanced rocket propulsion technology for NASA. America's Seed Fund brought Exquadrum's high-risk R&D to the hypersonic market, which has improved rocket and space technologies, capturing the attention of the commercial space industry.

Do you work in one of these areas?

- » advanced materials
- » agTech
- » artificial intelligence
- » augmented reality and virtual reality
- » big data
- » biomedical
- » cloud computing
- » cybersecurity
- » energy
- » health IT
- » national security
- » sensors
- » space exploration

America's Seed Fund

The Small Business Innovation Research and the Small Business Technology Transfer programs, known as America's Seed Fund, provide over \$4 billion each year in early stage capital through a competitive awards process.

How it works

Every year, participating federal agencies announce topic areas that address their R&D needs.

Eligible businesses submit proposals to win either grants or contracts and then advance through three phases:

- » The proof-of-concept stage typically lasts from 6-12 months, and provides from \$50,000-\$250,000
- » The full R&D period lasts about 24 months, and typically provides \$600,000-\$1.7 million
- » The commercialization stage is when your small business seeks public or private funds for its venture or sells the innovation for a profit.

How your startup benefits

The funding agency does not take an equity position or ownership of your business. The federal government also protects data rights and the ability to win sole-source phase three contracts. Some agencies provide additional resources beyond funding.

Participating agencies:

- » Department of Agriculture
- » National Institute of Standards and Technology
- » National Oceanic and Atmospheric Administration
- » Department of Defense
- » Department of Education
- » Department of Energy
- » Department of Health and Human Services
 - › Centers for Disease Control
 - › Food and Drug Administration
 - › National Institutes of Health
- » Department of Homeland Security
- » Department of Transportation
- » Environmental Protection Agency
- » NASA
- » National Science Foundation

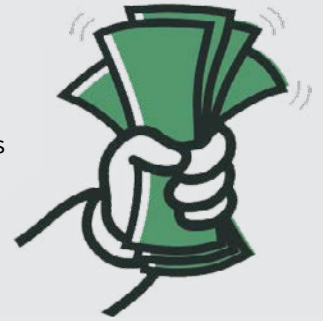
Visit **sbir.gov** to find funding opportunities and helpful program tutorials, as well as past award winners, such as Qualcomm, iRobot, Illumina, and Symantec. Use the local resources locator tool to identify state and regional programs and resources available to assist with grant writing, commercialization, and business counseling in your community.

Investment Capital

Looking for investors? For mature, profitable businesses with sufficient cash flow to pay interest, a small business investment company can help scale up your small business.

How an SBIC works

Investment companies with financing expertise in certain industry sectors receive SBA-guaranteed loans, which means the federal government is responsible in case of default. These investment companies then use the SBA-guaranteed capital and private funds to invest in qualifying small businesses. Each SBIC has its own investment profile in terms of targeted industry, geography, company maturity, the types and size of financing they provide.



To be eligible

The majority of your employees and assets must be within the United States. Some ineligible small businesses and activities include re-lenders, real estate, project financing, and foreign investment.

Visit **sba.gov** and click on Funding Programs and then Investment Capital. Follow us on Twitter for updates and announcements or visit our events page to learn about outreach programs in your community.

SBIR Road Tour

Visit **sbirroadtour.com** and follow us @SBIRgov to learn about this annual national program and related events connecting tech entrepreneurs to the country's largest source of early stage funding, providing over 5,000 new awards annually.



COURTESY OF THE SBA

NASA SBIR/STTR Center Technology Transfer Lead Gwenevere Jasper at the Puerto Rico road tour stop.

COVID-19 Economic Recovery

Eligible small businesses, agricultural enterprises, and nonprofits affected by the Coronavirus pandemic can meet ongoing obligations and working capital needs with the help of SBA economic injury disaster assistance.

Who it Helps

- » a business or cooperative with under 500 employees
- » agricultural enterprises with under 500 employees
- » private nonprofits
- » sole proprietorship or independent contractor
- » businesses defined small at [sba.gov/sizestandards](https://www.sba.gov/sizestandards)

How it Benefits You

Receive economic relief to maintain payroll, pay fixed debts, rent/mortgage, and other costs that cannot be paid because of the economic effects of COVID-19. The first payment on your SBA Economic Injury Disaster Loan will be automatically deferred for one year.

LOAN AMOUNT: the SBA determines the loan amount based on economic injury and working capital needs

INTEREST RATE: 3.75% for small businesses and 2.75% for nonprofits

TERMS: up to 30 years

How it Works

After an initial credit check, the SBA estimates your economic business loss. We'll work with you to obtain the information needed to reach a loan determination and discuss any recommendations and next steps. Loan closing documents will be provided for your signature. Your loan disbursement will typically be made within five days of receiving your signed closing documents.

Questions?

Visit [sba.gov/disaster](https://www.sba.gov/disaster) or [sba.gov/coronavirus](https://www.sba.gov/coronavirus). Contact (800) 659-2955, TTY (800) 877-8339, or disastercustomerservice@sba.gov.



COURTESY OF GETTY IMAGES

What to do after a Disaster Declaration

After a disaster is declared by
the President



Register with FEMA at

disasterassistance.gov or call (800) 621-3362, TTY (800) 462-7585, or visit a Disaster Recovery Center. Locations can be found at **fema.gov/drc**. Businesses are automatically referred to the SBA. Most homeowners and renters will be referred by FEMA to the SBA to apply for disaster loan assistance. You must complete the SBA application to be considered for assistance. If the SBA cannot help you with a loan for all your needs, we will in most cases refer you back to FEMA. If you do not complete an SBA application, you may not be considered for assistance from other agencies.

Express Bridge Loan

Businesses affected by a Presidential declared disaster are eligible to receive expedited financing through an SBA Express lender. These funds may be used for disaster-related purposes while the business waits for long-term financing through the SBA's direct disaster loan program.

LOAN AMOUNT: \$25,000; for those affected by COVID-19, it will be repaid in full or in part by proceeds from the SBA Economic Injury Disaster Loan.

TERMS: up to seven years

GUARANTEE: 50%

After a disaster is declared by the SBA



Businesses of all sizes, nonprofits, homeowners, and renters are eligible to apply for an SBA disaster assistance loan. Visit **disasterloan.sba.gov/ela** to apply for a loan. You can also call the SBA customer service center at (800) 659-2955, TTY (800) 877-8339. FEMA grant assistance for homeowners or renters is not available under an SBA declaration. Information you need to get started:

- address of damaged residence or business and contact information
- insurance information, including type of insurance, policy numbers, and amount received
- household and/or business income
- description of disaster-caused damage and losses



Get Ready

The Ready Business program, **ready.gov/business**, gives step-by-step guidance on how to prepare your business for a disaster. The series includes preparedness toolkits for earthquakes, hurricanes, flooding, power outages, and severe winds/tornadoes. Spanish materials are available.

Don't Wait

Take steps now to protect your business and reduce property damage with the help of an SBA disaster loan. Those affected by a natural disaster can rebuild stronger by increasing their SBA disaster assistance loan up to 20% of the verified physical damage to make mitigation improvements. Borrowers have two years after loan approval to request an increase for higher rebuilding costs, code-required upgrades or mitigation.

Keep in Mind

Since an SBA disaster loan is a direct loan from the government, other organizations may reduce or not award you a grant if you have received an SBA loan or other assistance for your disaster loss. Be sure to check with the organization offering assistance to see how an SBA loan might affect your eligibility for their program. In general, recovery expenses covered by insurance, FEMA or other forms of assistance may reduce the amount provided by your SBA disaster assistance loan.

Once safety and security needs are met after a disaster, the SBA helps get you and your community back to where you were before the disaster. Since low-interest SBA disaster assistance loans are government aid, creditworthiness and the ability to repay are taken into consideration before a loan is awarded. Visit **sba.gov/disaster**.

Surety Bonds

SBA-backed surety bonds help small businesses succeed.

Eligible small businesses in the construction, supply, and service sectors better compete for contracting and subcontracting jobs using SBA-backed surety bonds.

How you benefit

Surety bonds help small businesses receive the bonding assistance they need to win contracts by providing the customer with a guarantee the work will be completed.

How surety bonds work

Many contracts require surety bonds, which are offered by surety companies. The SBA guarantee provides an incentive for surety companies to work with small businesses that would normally not be able to obtain the bond.

Is the program right for you?

Small businesses that often come to the SBA for surety bonds:

- » startups and firms in business less than three years
- » businesses with credit issues or internally prepared financial statements
- » those who cannot secure bonding through regular commercial channels
- » subcontractors with a desire to establish their own bonding as a prime contractor
- » those wishing to increase their current bonding limits



COURTESY OF AZTEC CONTRACTORS

▲ HOW THE SBA HELPED ME SUCCEED

With SBA-backed surety bonds, Frank Spencer III has been able to better compete for commercial and government contracts. Aztec Contractors of El Paso, TX received the bonding support it needed to compete for construction contracts with the General Services Administration, U.S. Army Corps of Engineers, and the Mission and Installation Contracting Command. Frank acquired Aztec in 2006 with no capital and only two employees. Now he employs 25 full time and provides internship opportunities. Sales have grown to about \$30 million annually. Aztec now qualifies for bonding in the standard surety market without SBA support.

For all contracts and subcontracts up to \$6.5 million, the SBA guarantees bid, payment, performance, and ancillary bonds issued by surety companies. For federal contracts up to \$10 million, the SBA makes a guarantee if it's in the best interest of the government.

The SBA reimburses surety companies in case of default 90% of losses sustained for veteran & service-disabled veteran, minority, 8(a), and HUBZone-certified small businesses, and all projects up to \$100,000. The SBA reimburses 80% for all other small businesses.

Need a surety bond guarantee fast?

For contracts under \$400,000, the process is streamlined using the SBA QuickApp program.

- » easy application
- » no need to submit financials to the SBA
- » online applications submitted to SBA authorized agents approved within hours



Ready to start?

The SBA partners with 40 surety companies and hundreds of bonding agents. Find authorized agents at sba.gov/osg. Do you want to discuss the advantages of the SBA Surety Bond Guarantee program? Contact a bonding specialist:

Tamara E. Murray
Denver, CO
(303) 927-3479

Jennifer C. Bledsoe
Washington, DC
(202) 205-6153

Office of Surety Guarantees
(202) 205-6540

CONTRACTING

Doing Business with the Government



How I Did It

Taking the Helm

Jennifer Rahn steers Admiral Engineering and Manufacturing to success as a government subcontractor.

WRITTEN BY MICAELA MORRISSETTE

COURTESY OF THE SEA



5 Tips for Success

Find a mentor.

I had a great mentor in my company, and I reached for opportunity when it was in front of me.

Always move forward.

The SBA has educational resources to improve your business knowledge. To learn more about government contracting and SBA certification programs, call your local SBA district office or procurement center representative.

Compete smart.

See if your company can use the SBA Subcontracting Network database, https://eweb1.sba.gov/subnet/client/dsp_Landing.cfm. SubNet connects businesses with subcontractors & small businesses with contract opportunities.

Know your industry.

I see everything; I have my hands in everything. I don't want to expand to where I can't do that anymore.

Build a team.

Everybody feels like this is our work family. My employees are as big a part of my company as I am, so I make sure they know that.

with her existing clients, which include major government contractors. She's grateful prime contractors have incentive to subcontract with small business, and that helps businesses like Admiral.

Rahn has plans to grow, but not in the typical ways. She's investing in replacing equipment, enhancing efficiency and productivity while leading Admiral into new arenas like 3D printing. Because of the stability provided by being a government subcontractor, she's able to do all of this.

Jennifer Rahn was first hired as an office assistant at Phoenix, Arizona-based Admiral Engineering and Manufacturing Co. Rising to the top in a sector dominated by men, Rahn's career sounds a lot like the classic American success story. She got there with the help of a mentor and business growth earned as a federal government subcontractor.

For 16 years, Rahn worked side-by-side with then-owner David Schlosser, who became her mentor. Rahn says she learned "everything it takes to run a machine shop. I naturally just picked it up and wanted it."

The learning curve was steep—Admiral specializes in complex machined parts for industries including aerospace and communications—and Schlosser expected as much as he gave. "When I did something wrong, he told

me, and I didn't do that again," Rahn said, laughing.

One of their largest clients, aerospace and defense company L3 Technologies, nominated Admiral for the SBA Subcontractor of the Year award. As a subcontractor for L3 Technologies, Rahn said she gets great satisfaction from knowing soldiers are able to communicate with their leaders because of parts her company has made.

When Schlosser decided to retire, he asked Rahn to purchase Admiral.

"He did not want to sell to a corporation that would bring in their own people or end up foreclosing," Rahn says. "Then all your hard work is gone. I agreed because it was everything I had spent my life working on, too."

In September 2017, she took over as owner and president. Ownership transition poses a unique set of challenges. Rahn wanted to maintain relationships



How to do business with the government

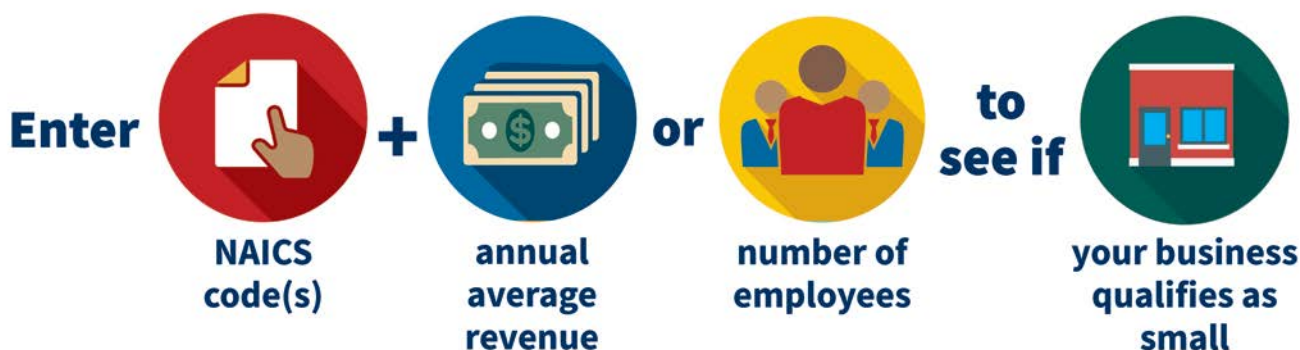
- 1** Consult your local Small Business Development Center (see page 8) or Procurement Technical Assistance adviser. Find your closest center at **aptac-us.org**.
- 2** Search **beta.sam.gov** to see if any federal agencies are looking for your product or service. Search the SBA SubNet database for subcontracting opportunities.
- 3** Attend an SBA district office contracting workshop. Visit **sba.gov/localassistance** to find your local office.
- 4** Research SBA certifications like the 8(a) and woman-owned small business programs. Review eligibility at **beta.certify.sba.gov** and **certify.sba.gov**.
- 5** Identify your product or service number at **naics.com**.
- 6** Obtain a free DUNS number at **fedgov.dnb.com/webform**. In 2021, DUNS will be phased out in favor of a unique entity ID managed by Ernst & Young.
- 7** Register with the System for Award Management (**sam.gov**).

Measure Your Business Size

The government reserves certain contracts for small businesses. Your business could compete for and profit from these set-aside contracts.

See if your business qualifies as small for federal government contracting

Visit sba.gov/size-standards



Small businesses
power our economy.

The SBA **powers**
small businesses.

During these uncertain times, we're still here for you. Whether you're in need of financial assistance or reworking your business plan, SBA has your back... because small business is our business.

Contact sba.gov to learn how to move your business forward with confidence.



U.S. Small Business
Administration

SBA Certification Programs

Your business could earn profit and gain valuable work experience by providing goods or services to the government.



COURTESY OF THE SUNDANCE CONSULTING

◀ HOW THE SBA HELPED ME SUCCEED

September Myres knew that becoming a government contractor would empower herself and other native peoples, while also growing her small business to the next level. She sought business development assistance from the SBA, qualifying for the 8(a) Business Development Program, which helps small disadvantaged businesses compete in the federal marketplace. This program helped September strategically grow her company to become a competitive force in the environmental services industry. Sundance Consulting of Pocatello, ID has secured Department of Defense contracts to improve Native American lands adversely affected by past department activities.

American Indians, Alaska natives, and native Hawaiians seeking entrepreneurial development training can start, grow, and expand their business with the help of the SBA, [sba.gov/naa](https://www.sba.gov/naa). The Office of Native American Affairs also consults with tribal governments prior to finalizing SBA policies affecting tribes.

Contracting certification programs are designed to help you better compete for and win federal contracts set aside for small businesses. Visit [sba.gov/contracting](https://www.sba.gov/contracting) to learn more about set-asides and whether one or more of these government certification programs is right for your business. To see if you are eligible and to then certify as 8(a), woman-owned, All Small Mentor Protege or HUBZone, visit [certify.sba.gov](https://www.certify.sba.gov).

8(a) Business Development Program

If you're an entrepreneur who is socially or economically disadvantaged, you may be eligible to receive business training and government contracting assistance through the 8(a) Business Development Program, [sba.gov/8a](https://www.sba.gov/8a). It includes free business development

education, training workshops, and match-making opportunities with federal buyers. Firms owned by Alaska native corporations, Indian tribes, Native Hawaiian organizations, and community development corporations are also eligible for 8(a) business development assistance. To be eligible for the 8(a) program, your small business must:

- » be owned and controlled by U.S. citizens who are socially and/or economically disadvantaged
- » demonstrate at least a two-year track record and have potential for continued success
- » have a net worth and an adjusted gross income of less than \$250,000 and assets under \$4 million

Socially disadvantaged: those subjected

to racial or ethnic prejudice or cultural bias without regard to their individual qualities because of their identity as members of certain groups. The following groups often fit this status: Black Americans, native Americans, Alaska natives, native Hawaiians, Hispanic Americans, Asian Pacific Americans, and subcontinent Asian Americans. A person who is not a member of one of these groups must establish that it is more likely than not that he or she has suffered social disadvantage.

Economically disadvantaged: those whose ability to compete in the marketplace has been impaired because they have not had as much capital and credit opportunities compared to others in the same or similar line of business.

The benefits of the 8(a) program:

- » You are assigned an SBA professional to help coordinate business development assistance.
- » You could be awarded an 8(a) sole-source contract up to \$4 million for goods and services, \$7 million for manufacturing, exceptions apply.

What is an 8(a) sole-source contract?

A direct awarding of a contract to an 8(a) small business that can provide the needed services. This is an accelerated process saving time for both you and the government agency or office.

All Small Mentor-Protege Program

Looking for an opportunity to partner with a more experienced firm for mentorship? That effort can be rewarded in the All Small Mentor-Protege Program, [sba.gov/allsmallmpp](https://www.sba.gov/allsmallmpp). At the same time you're gaining invaluable direction and experience, you and your mentor can compete for government contracts, further growing your business.

To qualify for this program:

- » Proteges must have a mentor prior to applying for the program. Visit your local SBA office for guidance. Ask about the SBA's Resource Partners and the Procurement Technical Assistance Program for help in connecting you with a mentor business.

- » You must be certified as a small business within your NAICS industry classification (naics.com).
- » Mentors and proteges must be organized for profit or as an agricultural cooperative.
- » Mentors cannot own more than 40% equity in the protege's business.
- » An SBA determination of affiliation must not exist between the mentor and the protege. All Small-approved partnerships receive an exclusion of affiliation for contracting purposes.

HUBZone

Businesses located in historically underused business zones, sba.gov/hubzone, can gain special access to federal contracts. To qualify for the certification, your small business must:

- » be owned and controlled by U.S. citizens, a community development corporation, an agricultural cooperative, Indian tribal government, Alaska native corporation, or a native Hawaiian organization
- » have a principal office located in a HUBZone, which includes Indian reservations and military facilities closed by the Base Realignment and Closure Act. Enter your address in our interactive map, maps.certify.sba.gov/hubzone/map, to see if you qualify.
- » have at least 35% of your employees living in a HUBZone



Service-Disabled Veterans

If you're a service-disabled veteran looking to enter the federal marketplace, you may be eligible for this small business certification. To determine your eligibility, contact a veterans business development officer at your local SBA office, or the SBA's Office of Veterans Business Development, sba.gov/ovbd. After you have set up to do business with the government in sam.gov, update your status as a service-disabled veteran business. Keep in mind, the SBA does not officially certify this designation, so when a contract awarded based on this eligibility is protested, the SBA will determine if your business meets the eligibility status, ownership and control requirements.

Woman-Owned Small Business Certification

Here's how to get certified so you can more easily compete for government contracts.

1. Make sure you're eligible

- » The business must be owned and controlled by one or more women who are U.S. citizens.
- » A woman must hold the highest officer position.
- » Women must manage the daily business operations on a full-time basis and conduct long-term decision making and planning.

To qualify as an economically disadvantaged woman-owned small business, the business owner and/or manager must also meet certain income and asset requirements. Find out more at sba.gov/wosb.

2. Register

- » Register with the System for Award Management (sam.gov) to start doing business with the government.

3. Certify

- » Submit your documents to certify.sba.gov. The SBA will offer free certification starting in late summer 2020. Or obtain certification from one of the SBA's approved third-party certifiers (which costs a fee):
 - El Paso Hispanic Chamber of Commerce
 - National Women Business Owners Corp.
 - U.S. Women's Chamber of Commerce
 - Women's Business Enterprise National Council

4. Update your status

- » Update your status as a woman-owned small business in sam.gov.

5. Search the database

- » Search beta.sam.gov for your new business opportunity. You must receive your certification prior to submitting an offer on a contract set aside for a woman-owned small business.

Get Expert Contracting & Certification Help

Federal contracting can be complex, but you don't have to do it alone. A Procurement Technical Assistance Center adviser can help you determine if your business is ready for government contracting. An adviser can also help you register in the System for Award Management (sam.gov) and see if you're eligible for any small business certifications and/or programs. Visit sba.gov/localassistance to find one-on-one counseling that is free or low cost (see page 9).

By the Numbers

The U.S. government is the largest single purchaser of goods and services in the world awarding over

\$500

billion in  prime contracts annually, 23% is set aside for small businesses.

What types of small businesses benefit?

- 5% are small & disadvantaged
- 5% are women owned
- 3% are HUBZone certified
- 3% are service-disabled veteran owned



COURTESY OF ESSNOVA SOLUTIONS

▲ HOW THE SBA HELPED ME SUCCEED

Sridhara Gutt grew Essnova Solutions from a home-based business to over \$3 million in annual revenue with the help of a HUBZone certification. With assistance from his local SBA office and Procurement Technical Assistance Center, he moved his IT software, staffing, and project management business to a Birmingham, AL HUBZone and soon earned a Department of Defense contract, benefiting his community and his small business.

Small
businesses
power our
economy.

The SBA
powers
small
businesses.

During these uncertain times, we're still here for you. Whether you're in need of financial assistance or reworking your business plan, SBA has your back...because small business is our business.

Contact sba.gov to learn how to move your business forward with confidence.



U.S. Small Business
Administration



GEICO for your business, too.

Running a business takes a lot of hard work. We're here to make it easier by helping you save time and money. **Get a quote today.**



Commercial Auto



General Liability



Business Owner's Policy



Professional Liability



Workers' Compensation

GEICO
for your business

[geico.com/business](https://www.geico.com/business) | 1-866-509-9444 | Local Office

Some discounts, coverages, payment plans and features are not available in all states, in all GEICO companies, or in all situations. Commercial auto coverage is underwritten by Government Employees Insurance Company. Business operations and property coverages, and in some cases commercial auto coverage, are provided through GEICO Insurance Agency, Inc., either under an arrangement with Berkshire Hathaway affiliates or with non-affiliated insurers. GEICO is a registered service mark of Government Employees Insurance Company, Washington, DC 20076; a Berkshire Hathaway Inc. subsidiary. GEICO Gecko image © 1999-2019. © 2019 GEICO